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Report of the Ethics Office of UNICEF

Summary

The UNICEF Ethics Office, established in December 2007, is headed by the Principal Adviser, Ethics. The Principal Adviser presents an annual report to the Executive Director on matters that were brought to the attention of the Ethics Office as well as systematic ethics issues found within UNICEF.

This first report of the Ethics Office covers the period of 15 August 2008 to 31 December 2009. It has been submitted to the United Nations Ethics Committee for review and recommendations, which have been incorporated. During the period under review in this report, the main activity was management and administration of the financial disclosure programme.

* E/ICEF/2010/15.



Establishment of the Office

1. The UNICEF Ethics Office was established in December 2007 following the issuance of the Secretary-General's Bulletin on United Nations system-wide application of ethics: separately administered organs and programmes (ST/SGB/2007/11), with the following terms of reference for the Principal Adviser, Ethics. These include six main areas:

(a) *Advice to management on policies and procedures.* The Principal Adviser provides guidance on policies, procedures and practices so that these reinforce and promote the ethical standards called for under the United Nations Charter.

(b) *Prevention and outreach through training and internal communication.* This means establishing orientation and learning opportunities to continuously raise staff awareness of expected ethical standards and behaviour.

(c) *Providing advice to staff.* This includes providing guidance on specific ethics-related policy and practice issues and queries, including conflict of interest, financial disclosure, and protection against retaliation.

(d) *Serving as the focal point for complaints of retaliation.* Staff requesting protection against retaliation will contact the Principal Adviser who makes an initial determination as to whether there is a credible case of retaliation or a threat of retaliation. If such a determination is made, the case is referred to the Office of Internal Audit for further investigation.

(e) *Financial disclosure.* The Principal Adviser is responsible for strategic development and implementation of the UNICEF financial disclosure programme.

(f) *Reporting.* The Principal Adviser drafts and presents an annual report to the Executive Director which includes the number and general nature of matters raised to the Ethics Office, as well as systematic ethics issues found within UNICEF.

2. In November 2007, an acting Ethics Adviser was appointed at the D-1 level, reporting directly to the Executive Director. After a global search, an Ethics Adviser was recruited and took office from June to August 2008. The current incumbent took office in mid-August 2008.

3. By November 2008, an assistant was in place at the GS-5 level. Additional assistance was provided for four months by recruiting a senior retired staff member with extensive experience in operations.

4. For the biennium 2010-2011, the post of Ethics Specialist at the P-3 level has been established, and short-term assistance is currently being charged to that post.¹ A Junior Professional Officer post has also been established.

Main activities

5. Annual reporting is a required aspect of the Principal Adviser's core responsibilities. This first report exceptionally covers the period of 15 August 2008 to 31 December 2009. Future reports will be prepared on a calendar year basis. As required in ST/SGB/2007/11, it was first submitted to the United Nations Ethics

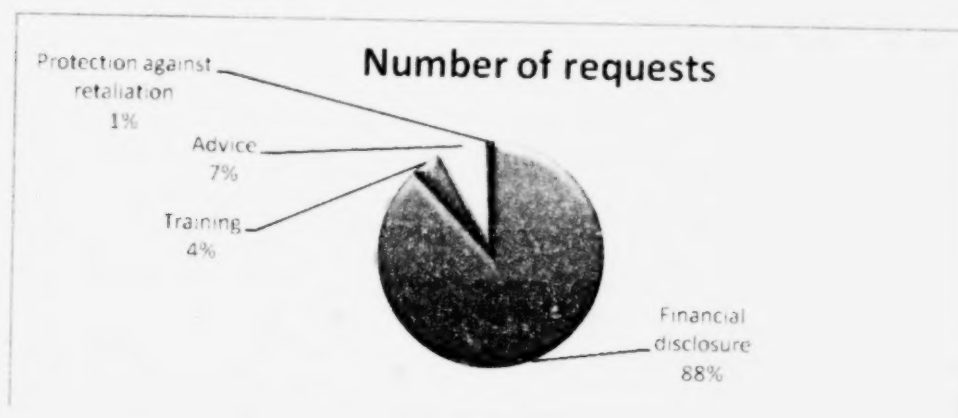
¹ The post has since been filled in 2010.

Committee for review and recommendations, which were incorporated into the final report that was subsequently presented to the Executive Director of UNICEF. Future annual reports will follow the same pattern.

6. During the period under review, the main activity in terms of staff time was management and administration of the financial disclosure programme. The activities are outlined in detail below and include (a) administration of the system for the 2009 filing year, including developing some improvements with the UNICEF IT Solutions and Services Division (ITSS); (b) advocacy and support for staff needing to file; (c) managing the development of an improved system for 2010 and beyond, including revisions in the policy system for filing; and (d) developing a new system for the review of all the disclosures, including the creation of guidelines for the review and analysis of disclosures.

7. Other activities, in order of time spent, include (a) training, especially creating and presenting face-to-face training and developing a script for online training; (b) participation in the United Nations Ethics Committee; (c) providing advice to staff; (d) responding to requests for protection against retaliation; and (e) policy development.

8. A total of 1,240 requests were received during the reporting period. These included requests for support on financial disclosure, for ethics advice, for protection against retaliation, and for training. Each request is actually a file, in most cases involving multiple interactions. This is especially true for clarifications on the financial disclosure programme and for requests for protection against retaliation. Some of these requests were quite complex, taking considerable research and staff time.



9. During the period under review, the Ethics Office worked closely with the Division of Human Resources (especially the Office of the Director and the Policy and Administrative Law Section); the Office of Internal Audit (especially the Investigations Unit); and the Global Staff Association.

Standards setting and policy support

10. A central function of the Ethics Office is to provide advice and guidance on policies and practices so that these core features contribute to a consistently high ethical standard in the organization. Advice is given to all staff at all levels.

11. During the reporting period, the Principal Adviser contributed to the reformulation of several policies in collaboration with the Division of Human Resources, including a revision of the policy on harassment, sexual harassment, and abuse of authority, and a new draft on outside activities and unanticipated gifts.

12. During the course of the first year, through participation in regional management teams, discussion with the Global Staff Association, and extensive discussion with staff at all levels, several issues have emerged that need additional policy clarification or better implementation. These include elements having to do with management practices, with awareness and implementation of the Rules and Regulations and the Standards of Conduct for the International Civil Service, and with encouraging better intercultural awareness to further mutual respect in the workplace. Some of these are:

(a) A need for far greater awareness of the policies on outside employment, conflicts of interest, and gifts. This includes higher awareness on the part of supervisors so that they can guide staff and make decisions as appropriate;

(b) Better and timelier implementation of the Performance Appraisal System. Many of the complaints and requests coming to the Ethics Office are due to breakdowns in conversations and discussions between staff and supervisors. The new Performance Appraisal System should help to alleviate this problem.

13. These areas are confirmed by the conclusions of the Audit Report on the Processes for Promoting Ethics and UNICEF Values in Country Offices, which reviewed how well staff members in country offices understand the UNICEF ethical standards and values, as well as their understanding of how to obtain advice or solve ethical dilemmas and to report cases of misconduct. The Audit Report found significant weaknesses in the promotion of ethics and UNICEF values in the sampled country offices. The audit made a series of recommendations to country offices about improving the overall ethical climate. The Ethics Office is working with the Office of Internal Audit as it develops training and awareness materials and on policies and procedures with implications for the ethics environment.

14. Finally, considerable attention was given to policy development through the work of the United Nations Ethics Committee during the reporting period. This included (a) active participation in the drafting of a system-wide code of ethics; (b) contributing to the establishment of core elements for protection against retaliation across the United Nations system; and (c) contributing to the discussion of policies on financial disclosure.

Training, education and outreach

15. Creating a more consciously ethical environment is one of the key responsibilities of the Ethics Office, by raising staff awareness of the ethical standards and expected behaviour.

16. In the context of the preparation of the biennium budget for 2010-2011, a strategy for outreach that would make the best use of available resources was developed. There are four main areas of focus: (a) mandatory online training; (b) a website providing access to numerous materials that would feature best practices and other motivational material; (c) training modules focussed for specific groups, such as supply staff, or country-level managers; and (d) face-to-face training.

Online training

17. One of the key ways to create a more consciously ethical environment is through mandatory online training. The Ethics Office has reviewed the available materials and has decided to adapt the online training course being used by the United Nations Population Fund (UNFPA). With the help of temporary staff, the script has been revised to take UNICEF priorities and main ethical challenges into account and to fine-tune the references to the UNICEF system. The process is now under way to develop this further into training materials and to launch the training course.

Websites

18. A website has been developed for the UNICEF Intranet using the new rubric of ICON. The site gives background on ethics, provides an easy one-stop access to the rules, regulations and policies that relate to ethical issues and behaviours, and provides material to assist those who are completing financial disclosures. Many of these are available in English, French and Spanish.

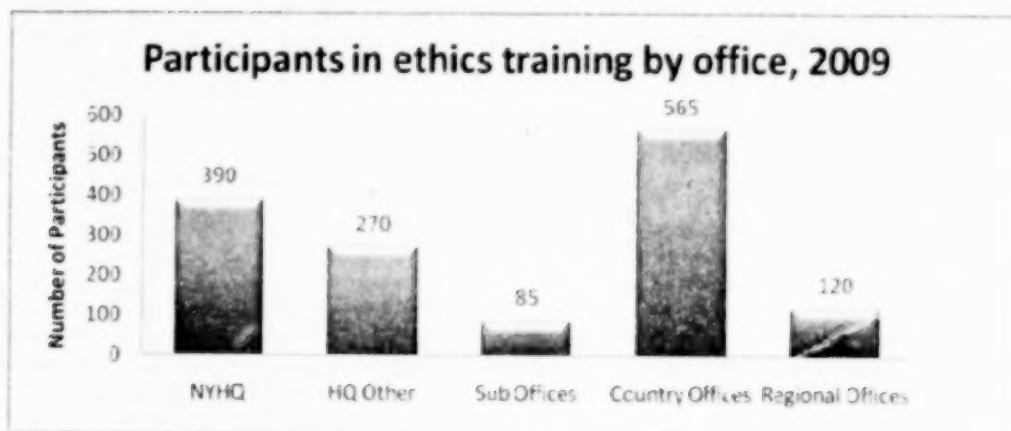
19. In addition, plans for the site include the preparation of articles on best practices throughout UNICEF, including offices that have featured ethics topics at staff meetings and country management team meetings. This will include interactive discussions to which all staff can contribute.

20. The site has been on soft launch since mid-2010, including the period of financial disclosure filing, and has proven its usefulness through the number of page views.

21. Based on this Intranet site, ethics pages are now being developed for the external UNICEF Internet site. This will include additional material for consultants and contractors on protection against retaliation, as well as policies linked to ethical behaviour, such as the policy on harassment and abuse of authority. These will also be available in multiple languages.

Face-to-face training

22. During the reporting period, there were 52 training requests, either for materials or for face-to face training or briefings. In response, 29 training and briefing sessions were held, lasting from 90 minutes to a full day, and reaching about 1,400 people or one out of every eight UNICEF staff members. These included a briefing at the inaugural session of representatives to the Global Staff Association; numerous sessions at the New York Headquarters; and sessions in Copenhagen, five country offices and three regional management teams.



23. These trainings have all been highly participatory, and make extensive use of interactive exercises, using case studies and other methodologies. Of particular importance is an exercise using the Oath of Office as the basis for discussions on the benefits and constraints for international civil servants, which has proven a memorable way to discuss conflicts of interest, relations with Member States, outside employment, and other sensitive issues.

24. In 2009, the Investigations Unit of the Office of Internal Audit co-led the country-level training in Pakistan, India and Bangladesh.

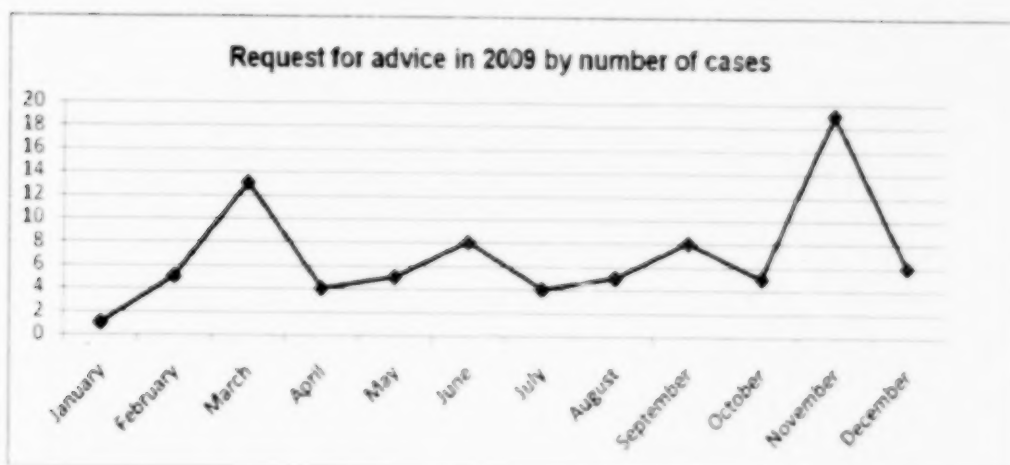
Training modules for specific groups

25. The face-to-face trainings and the participation in regional management teams have helped to focus the needs for training modules. The priority areas that have emerged are a need for senior staff training on (a) how to handle sensitive ethical issues; (b) how to ensure that a tone and bias toward ethical behaviour permeates the office; and in particular (c) the linkages between good management and better ethical behaviour. Other priority areas that have emerged from these trainings include the need for memorable, participatory training for supply staff — based on actual case studies when possible — and for materials that can be used over time at the local level.

26. In addition to completing the preparation of the online training materials, which is a priority, materials are being prepared for senior staff and for supply staff. The use of WebEx and other long-distance techniques to pre-test materials and to reach additional staff will be incorporated in the training plan. Participation in regional management teams and other statutory meetings will also permit reaching the largest number of staff most effectively.

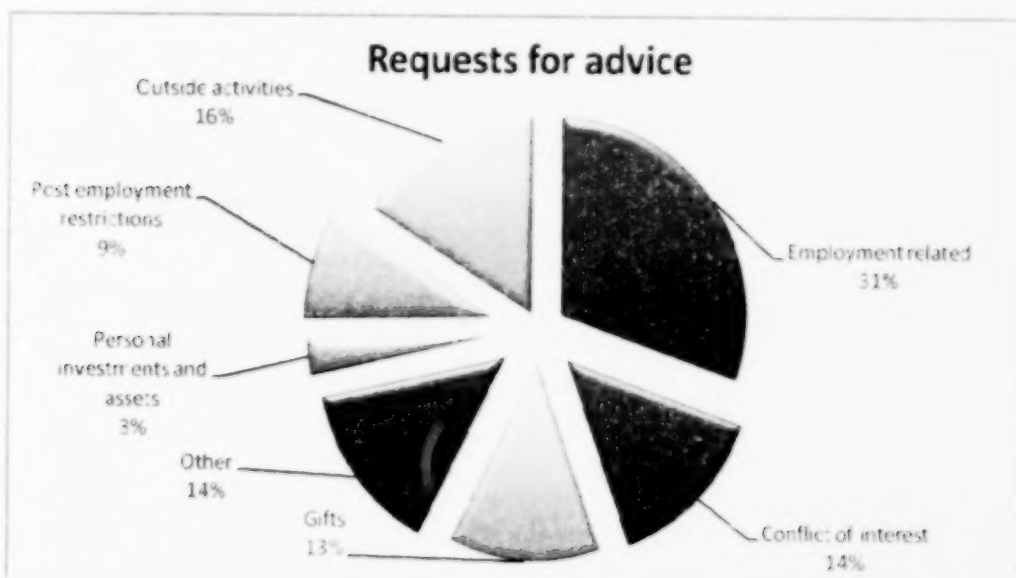
Advice and guidance

27. During the reporting period, the Ethics Office received 99 requests for advice from all levels of staff. The requests increased considerably at the launching of the financial disclosure programme, as well as immediately after intensive training sessions were conducted in the field. This indicates that there is a latent need for advice on ethics issues, and that when staff members know that there are resources available, they will use them.



28. Apart from requests made specifically in the context of the financial disclosure programme, which are treated separately below, the main area of concern has to do with issues related to employment at UNICEF. The majority of these queries have to do with ethical issues in interpersonal relations, and it is clear that there is a need for more training for supervisors on managing such issues and for awareness-building for staff.

29. Other key areas linked to the conduct of international civil servants are fairly equally divided, namely outside activities, gifts, and conflicts of interest. These are queries outside the scope of the financial disclosure system. As the disclosures have not been reviewed to date, the numbers of queries in these areas are likely to increase substantially once senior staff realize that the organization is placing greater emphasis on compliance with these important issues of comportment of staff in the interests of the well-being of the organization and for maintaining the integrity of the staff.

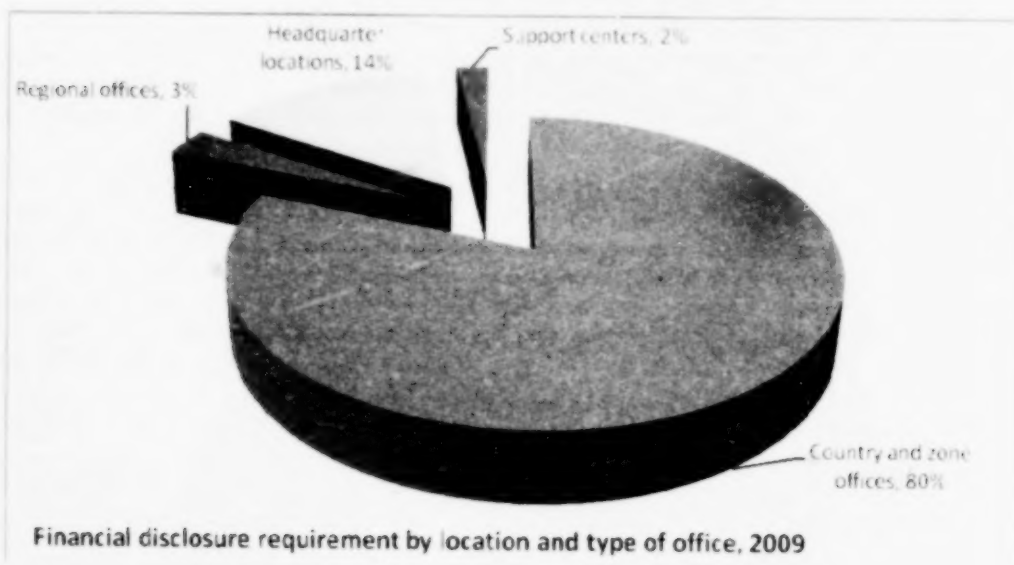


Financial disclosure programme

30. The Ethics Office manages and administers the UNICEF financial disclosure programme, which is a means of managing organizational risks and enhancing public trust in the integrity of the organization. Under the programme, selected staff members declare their assets, liabilities and outside activities, which are reviewed by the Ethics Office. This process, both as staff declare these engagements, and the subsequent analysis, helps to ensure that staff avoid conflicts of interest in the discharge of their official duties, which would jeopardize the objectivity and effectiveness of their work, and decrease public confidence in the organization.

31. The UNICEF financial disclosure programme began operating in 2007 following the issuance of Executive Directive 2007-002,² as mandated by the Secretary-General in ST/SGB/2006/6. All D-1 and D-2-level directors are required to file, as well as all staff whose principal occupation has to do with supply and procurement, who manage the organization's investments or have direct access to confidential procurement or investment information. The disclosures are securely maintained and, to date, only the Ethics Officer has had access to the content.

32. While the programme is in its third year, it is only since 2009 that there has been full-time management of the process.³ The intensive education and advocacy needed for a successful programme have therefore been available for the past year only.



² UNICEF Executive Directive "Financial Disclosure and Declaration of Interest Statements" of 26 February 2007 (CF/EXD/2007-002).

³ In 2007, there was no Ethics Office and the incumbent did not take office until mid-August 2008.

Compliance

33. In 2009, intensive efforts were taken by the Ethics Office to increase compliance with the financial disclosure programme. Numerous reminders were sent to staff and eventually to supervisors; every training and briefing included discussion of the reasons for the programme and the tight security for the data; and guidelines and responses to queries were sent in English, French and Spanish.

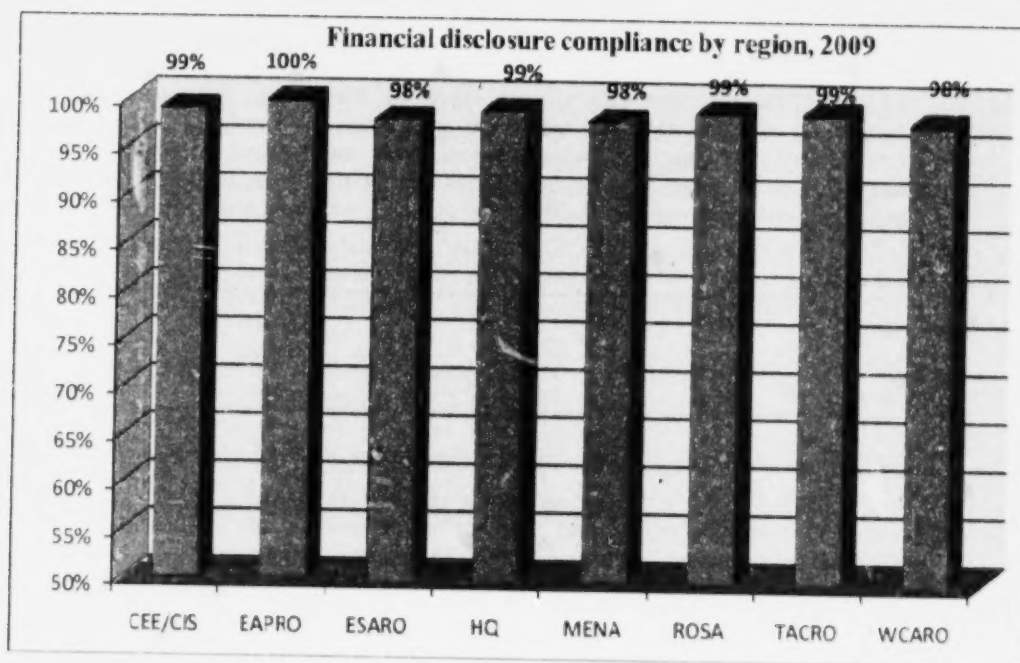
<i>Year</i>	<i>Number of staff required to file</i>	<i>Number of disclosures submitted</i>	<i>Compliance (%)</i>
2007	2 545	2 106	83
2008	2 556	2 141	84
2009	2 536	2 511	99

34. Analysis of staff who were late in responding or did not comply is useful.

(a) All staff at the senior levels (D-1 or D-2) and all Representatives complied with the programme. Half of the non-compliant staff were at the Professional level, and half were country-level General Service staff.

(b) Of the staff who did not file at all, 54 per cent were in sub-offices of country offices where there was a complex emergency. To some degree, the lack of compliance was due to communication difficulties, which prompted ITSS to develop a methodology for an easier filing system. As these staff members qualify under the guidelines — many are managing supplies or managing offices — the new financial disclosure system under development will need to be readily usable by these staff, and additional outreach efforts are needed to ensure they understand the reasons for the programme.

35. Also among the staff who did not file, 81 per cent are in countries where the working language is not English. This overlaps with the reason provided above, and also indicates that the availability of materials in other official working languages is critically important, as well as continued advocacy.



36. The names of staff members who were non-compliant with the programme in 2009 were sent to the Division of Human Resources for possible disciplinary action. The heads of office, and regional offices, as applicable, were also notified.

Review of the disclosures

37. Since the establishment of the financial disclosure programme predated the establishment of the Ethics Office, no review of the disclosures has yet taken place. When the disclosure programme was initially launched, it was not intended to examine the disclosures, but a procedure for the review of the disclosures has been put in place — as a result of reviews of best practices in the public and private sector and of discussion in the United Nations Ethics Committee — in order to harmonize practices with the other funds and programmes. Detailed guidelines for the review and analysis of financial disclosures have been drafted; a consulting firm with experience in this sector has been engaged; and procedures for the review have been developed. These guidelines take into account recent experiences and actual conflicts that have been investigated by UNICEF in recent years.

38. The review, which was conducted in early 2010, analysed the disclosures on hand from 2007-2009, in conformity with best practices and in order to reduce any risk to the organization. The main objectives of the review exercise were, in the first instance, to determine if the disclosures have been correctly and completely filed; then to analyse the forms to identify whether the staff member has any engagements, financial or otherwise, that conflict, or give the appearance of conflicting, with their status as international civil servants, or their functions in the organization. Based on the review outcome, the Ethics Office will contact the individual staff members for missing information and, where necessary, will provide advice on how best to manage potential or actual conflict of interest, in the best interest of UNICEF and

the staff member. The options to be considered include the staff member removing any potential or actual conflict of interest, divestment of holdings, or resignation from outside activities. In some cases, staff members may be advised to recuse themselves from certain official responsibilities.

39. The review of the Focused District Strategy is expected to provide comprehensive statistical data reports for the Ethics Office to focus on areas and offices where further work is required. The review will also be guiding policies on conflicts of interest, outside activities, and gifts. The guidelines for the review and analysis of financial disclosures will be updated and refined in light of the findings of this first round of analysis.

40. Subsequent to the review of previous years in early 2010, the disclosures will be reviewed annually. The biennium budget for 2010-2011 provides for a P-3 staff member whose main function will be to conduct those reviews under the guidance of the Principal Adviser. The subject of financial disclosures and the best ways of managing them will also be on the agenda of the United Nations Ethics Committee in 2010.

Policy on financial disclosure

41. The current UNICEF policy on financial disclosure, published in Executive Directive 2007-002,⁴ was developed before the establishment of the Ethics Office, and will be revised in early 2010. The proposed policy will provide more specificity on which staff members are required to file; authorize the Principal Adviser to select, in cooperation with Heads of Office, the staff who must file; and define more clearly the restrictions on the sharing of data in the disclosures for purposes of investigation.

42. The selection of staff required to file needs to be standardized across the organization, and further refinement of the guidelines is necessary. UNICEF has a relatively high proportion of staff (about 23 per cent) that is required to file. This is comparable to the proportion at the United Nations Development Programme and UNFPA, but considerably higher than the Office of the United Nations High Commissioner for Refugees or the World Food Programme. In early 2009, an analysis was done — in consultation with the Division of Human Resources, the Office of Internal Audit, and the Office of the Executive Director — of ways to reduce the number of staff who file, and new guidelines were sent to heads of office. Nevertheless, the number of staff nominated remained constant with previous years.

Improvements in the system

43. The system for registering and maintaining a database for the financial disclosures was developed in 2007 to meet the immediate needs to establish this programme. The system is based on the original system at the United Nations Secretariat, using a Microsoft Word form that staff members had to upload to a secure database. Some important improvements were made in early 2009, notably in the management of uploading names to the database, and in a more flexible and secure capacity for uploading the forms, as well as capacity for automated analysis of the forms.

44. Based on the considerable volume of correspondence, even before initiating the review, it is clear that the system requires improvement in a number of areas: the managing and updating of the names of staff and linkages with the human resources

⁴ UNICEF Executive Directive "Financial Disclosure and Declaration of Interest Statements" of 26 February 2007 (CF/EXD/2007-002).

information system; formats for staff that are easier to manage and which have logical checks, avoiding many errors and the possibility of omitted data; and automated reminders and analysis of those who have filed by post and duty station. The Ethics Office is working closely with ITSS to ensure that a new system is available for the 2010 filing cycle.

45. Some of the anticipated improvements include linking the database of staff who file to the human resources information system. This will make it possible to build the annual list based on defined criteria, which will improve standardization across offices, levels and functions. This should also allow for a reduction in the number of staff required to file, by eliminating more junior staff with little decision-making responsibility and focusing on those who are accountable for results. There will be greater capacity for analysis of the data at the aggregate level, which will facilitate the review of the documents. This will also make it possible to do more rapid and accurate follow-up in the analysis of respondents and non-filers.

46. From the user side, the new format will be accessible through the Internet, and will be tested in the remote locations where staff members are required to file. As it will be an online form, the number of errors in filling out forms and in filing will be significantly reduced.

47. With these improvements, the filing cycle in 2010 will be coordinated with the cycle in other parts of the United Nations system.

Protection of staff against retaliation

48. One of the purposes of the Ethics Office is to play a key role in staff protection against retaliation for having (a) reported fraud or other misconduct, (b) provided information in good faith on alleged wrongdoing or (c) cooperated with a duly authorized audit, inspection or other oversight activity. The Principal Adviser is charged with receiving complaints of retaliation and conducting an initial review to determine if the complaint can be protected under the policy on protection against retaliation. The criteria include (a) whether the staff member engaged in an activity for which protection would be possible; (b) whether retaliation or a threat of retaliation took place; and (c) whether there is a *prima facie* case that the protected activity was a contributing factor in causing the action alleged to be retaliatory or a threat of retaliation.

49. During the reporting period, there were 12 requests for protection against retaliation. On examination, 8 of these were outside the direct mandate of the Ethics Office. After discussion in each of these cases, including discussion of the criteria for the policy on protection against retaliation, it appeared that most of these cases had to do with subjects that could be more properly handled by the Division of Human Resources or the Office of the Ombudsperson, or both. The staff members were therefore counselled to raise their concerns with these offices. In one case, a staff member wanted to report possible misconduct, and was referred to the Office of Investigations. The staff member had not experienced retaliation but was worried that this might occur. The Principal Adviser has followed up periodically with that staff member.

50. Four of the cases brought to the Ethics Office warranted in-depth review. In three of these cases, no specific case of retaliation caused by a protected activity could be established, and the staff members were notified accordingly. In one case,

it did appear that a staff member had participated in protected activities, and that the staff member was being retaliated against. Even after extensive discussion and clarification of the policy on protection, the staff member did not want to come forward openly so that the case could be investigated, but asked that some of the information brought forward be shared. This information was shared with the Investigations Unit. Periodic follow-up has taken place to review the staff member's status.

United Nations Ethics Committee

51. The United Nations Ethics Committee held 12 meetings during the reporting period. UNICEF hosted 2 of these meetings, and participated actively in all of them.

52. The preparation of a draft system-wide Code of Ethics was a key accomplishment during this period. UNICEF widely circulated the code, and collaborated with the Global Staff Association to hold a lively web-based discussion of the draft code. The key elements of this discussion were brought to the Committee for inclusion in the final draft.

53. The participation in the Committee has been very useful for the UNICEF Ethics Office for a number of reasons. Firstly, it provides an expert community of counterparts in the United Nations system that face similar issues, which helps to strengthen the work of the UNICEF Ethics Office by providing sound advice. Secondly, its work in creating standards across the United Nations system is helping ensure that UNICEF staff members are firmly grounded as part of the international civil service with the same ethical standards and policies. Thirdly, the collaboration among agencies engendered by participation in the committee has already benefited the members, for example, in the sharing of training material by the UNFPA. Finally, as all the members come from various backgrounds, the expertise brought by individual members increases the competence of all.

Conclusions and recommendations

54. The main focus for the Ethics Office in its first year was necessarily on administering the filing aspect of the financial disclosure programme while taking considerable steps to put in place other essential elements for the programme. This included a capacity for reviewing the disclosures — from guidelines for review to a system for undertaking it — as well as improving the system for filing and analysis. A more complete and robust financial disclosure programme from 2010 onward will contribute to risk reduction for the organization, and will also be one important way of helping staff be more aware of the Ethics Office and how it can help them.

55. Face-to-face training contributed to several Ethics Office goals. It informed staff about standards, providing information about how to obtain protection or advice. At the same time, it allowed the Principal Adviser to learn about areas of policy and procedure that need guidance to improve ethical behaviour in the organization. The institution of online training will contribute significantly to this.

56. It is clear that a more explicit incorporation of discussion about ethics at all levels — spearheaded by directors and country representatives — needs to be an important focus of the programme in upcoming years.